

MV 02-1

Tax Type: Private Vehicle Use Tax

Issue: Private Vehicle Use Tax – Value Exceeds \$15,000

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
SPRINGFIELD, ILLINOIS**

THE DEPARTMENT OF REVENUE)	
OF THE STATE OF ILLINOIS)	
)	Docket No. 01-ST-0000
v.)	Acct # 00-00000
)	NTL # 00-000000 0
JANE DOE)	
)	
Taxpayer)	

RECOMMENDATION FOR DISPOSITION

Appearances: Jim Day, Special Assistant Attorney General, for the Department of Revenue of the State of Illinois; JANE DOE, *pro se*.

Synopsis:

The Department of Revenue (“Department”) issued a Notice of Tax Liability for Vehicle Use Tax (“NTL”) to John Doe, who is now deceased. His wife, JANE DOE (“taxpayer”) filed a timely protest and was substituted as a party in this case. The NTL assessed additional use tax and interest relating to the purchase of a vehicle. While this case was pending in this administrative proceeding, the Department abated the interest. Both parties have waived their right to an evidentiary hearing in this matter and have requested that this case be decided based on a Joint Stipulation, exhibits, and supporting

statements. After reviewing the documentation presented, it is recommended that this matter be resolved in favor of the Department.

FINDINGS OF FACT:

1. On September 6, 2000, the taxpayer and her husband purchased a 1996 Ford F-250 truck for a total purchase price of \$18,000, which included accessories. The value of the truck on September 6, 2000 without the accessories was approximately \$16,500. (Stip. #1)

2. On September 6, 2000, the taxpayer and her husband went to an Illinois Secretary of State facility in Anywhere, Illinois to apply for a new title for the truck. An employee at the Secretary of State facility completed a form RUT-50 (Vehicle Use Tax Transaction Return) for them. (Stip. #2, 3)

3. The Secretary of State employee entered a figure of \$165 as the amount of tax due on the return and told the taxpayer and her husband to write a check to the Department for \$165. The return, the check, and the title application were filed at the Secretary of State facility on September 6, 2000. (Stip. #4, 5, Ex. #1)

4. By January 30, 2001, the taxpayer had not received the title for the truck. The taxpayer contacted the Secretary of State office in Springfield and was informed that the office had no record of receiving the title application. The office further requested copies of the relevant checks. (Stip. #6)

5. The taxpayer took copies of the cancelled checks to the Secretary of State facility in Anywhere. The Anywhere Secretary of State employees used the tracking numbers on the checks to locate the taxpayer's title application paperwork. (Stip. #7)

6. On January 30, 2001, the Secretary of State issued the title to the truck. (Stip. #8)

7. On June 1, 2001, the Department issued a Notice of Tax Liability for Vehicle Use Tax that assessed additional use tax in the amount of \$585, plus interest. (Stip. #9, Ex. #2)

8. On August 29, 2001, the Department abated the interest that it had assessed. (Stip. #12)

CONCLUSIONS OF LAW:

Section 3-1001 of the Illinois Vehicle Code imposes a tax on the privilege of using in Illinois any motor vehicle. (625 ILCS 5/3-1001). Beginning with the calendar year 1988, if the selling price of the motor vehicle is less than \$15,000, then the applicable tax is based on the number of years that have transpired after the model year of the vehicle. If four years have transpired after the model year of the vehicle, then the tax is \$165. If the selling price is between \$15,000 and \$19,999, however, then the applicable tax is \$750. (625 ILCS 5/3-1001)

The statute provides that the tax is determined based on the selling price of the vehicle. The Department argues that because the taxpayer purchased the truck for a selling price that was between \$15,000 and \$19,999, the amount of tax due should be \$750. The amount of tax that the taxpayer initially paid was \$165, which leaves a difference of \$585.¹

The taxpayer argues that the State misplaced the title paperwork for the truck until January 30, 2001, and the taxpayer had to actively pursue the title by making several local inquiries and finally calling the Springfield office on January 30, 2001. The

taxpayer also had to bring cancelled checks to the Secretary of State's office before she received the title. The taxpayer contends that common sense dictates that the value of the truck depreciated until the title was finally issued on January 30, 2001.

The taxpayer states that her paperwork was neither filled out properly nor filed properly by the Anywhere Secretary of State facility. The taxpayer asserts that her title to the truck is an asset that should not have been lost, misplaced, or otherwise mishandled by the State. She also states that it is important for the State to treat taxpayers fairly and not create additional stress when applying for a title. She argues that common sense requires that the additional tax not be assessed.

The facts of this case are very unusual and unfortunate. It took nearly five months for the taxpayer to receive the title to the truck, and she lost her husband during this time period. Although the difficulties that the taxpayer had to endure warrant a great deal of sympathy, the statute does not provide relief under these circumstances. The tax must be determined based on the selling price of the vehicle, even if an employee of the Secretary of State's office incorrectly determined the amount of tax due. Because the selling price was greater than \$15,000, the additional tax must be assessed.

Linda Olivero
Administrative Law Judge

Enter: January 14, 2002

¹ The taxpayer included a check for \$585 with her protest letter. (Stip. #10)